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Message Text

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41
ACTION TRSE-00

INFO OCT-01 ARA-10 EUR-12 ISO-00 AID-05 XMB-04 IGA-02

OMB-01 L-03 SS-15 SP-02 NSC-05 CIAE-00 DODE-00 INR-07

NSAE-00 PA-02 USIA-15 PRS-01 /085 W
---------- 077369
R 171550Z SEP 76
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC 7140
INFO AMEMBASSY OTTAWA

UNCLAS BUENOS AIRES 6079

PASS TREASURY, EXIMBANK

E.O. 11652: N/A
TAGS: EFIN, CA, AR
SUBJ: FINANCING FOR ARGENTINA

REF: BUENOS AIRES 4920

1. MERCADO OF SEPT 16 SUMMARIZED DETAILS OF DRAFT CONTRACT BETWEEN GOA AND 21 U.S. BANKS FOR $500 MILLION IN LOANS, AS FOLLOWS:

A. NEGOTIATIONS ON $500 MILLION LOAN PACKAGE ARE TO BE COMPLETED BEFORE DEC 1976. THE LOANS WILL BE AMORTIZED IN EIGHT PAYMENTS, WITH THE FIRST AND SECOND DUE (ABOUT $35 MILLION EACH) IN SEPT AND DEC OF 1977 AND THE REMAINING SIX (ABOUT $72 MILLION EACH) IN MARCH AND SEPT OF 1978-1980.

B. THE RATE OF INTEREST ON THE LOANS IS 1 7/8 PER-CENT OVER LONDON INTERBANK RATE.

C. THE BREAKDOWN OF THE LOANS ARE:

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CONSORTIUM)-$75 MILLION MANUFACTURERS -- $55 MILLION

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MANUFACTURERS HANNOVER -- $55 MILLION
CITY BANK -- $50 MILLION
MORGAN GUARANTY -- $50 MILLION
BANK OF AMERICA -- $40 MILLION
CHEMICAL BANK -- $40 MILLION
BANKER TRUST -- $30 MILLION
CROKER NATIONAL -- $20 MILLION
BANK OF NEW YORK -- $15 MILLION
MARINE MIDLAND -- $15 MILLION
AMERICAN EXPRESS INTERNATIONAL, CONTINENTAL ILLINOIS,
EUROPEAN AMERICAN, BANK OF BOSTON, BANK OF CHICAGO,
FIRST PENNSYLVANIA, IRVING TRUST, NATIONAL BANK OF
NORTH AMERICA, PHILADELPHIA NATIONAL, REPUBLICH NATIONAL,
WELLS FARGO, EACH CONTRIBUTING $10 MILLION -- $110
MILLION

2. DRAFT CONTRACT INDICATES THAT, ONCE LOAN AGREEMENT
SIGNED WITH U.S. CONSORTIUM, GOA WOULD PROCEED TO SING
LOANS WITH CANADIAN BANKS TOTALING AROUND $70 MILLION
(AGENT IS ROYAL BANK OF CANADA).

3. CONTRACT REPORTEDLY INDICATES THAT GOA HAS ALREADY
RECEIVED 159.5 MILLION SDR'S OF THE IMF STANDBY AND THAT
THE REMAINING 100.5 SDR'S WILL BE FORTHCOMING IN TWO
INSTALLEMENTS IN MAR AND JUN OF 1977.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKS, LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 17 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976BUENOS06079
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760353-0829
From: BUENOS AIRES
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760950/aaaabqtl.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION TRSE
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 BUENOS AIRES 4920
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 25 FEB 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 FEB 2004 by MaustMC>; APPROVED <24 AUG 2004 by vandyklc>
Review Markings:

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US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: FINANCING FOR ARGENTINA
TAGS: EFIN, US, AR
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006